



United Employers Association
Business Direction. HR Counsel.

Federal Contractor Paid Sick Leave is NOT Repealed

President Obama's Executive Order 13706 ("Final Rule") requiring federal contractors and subcontractors to provide certain employees with up to seven days of paid sick leave annually has **not** been repealed by any executive orders so far!

Executive Order 13706 requires most employers with government contracts allow employee leave for illness, family care and absences related to domestic violence, sexual assault and stalking.

The Final Rule applies to certain types of federal contracts and subcontracts entered on or after January 1, 2017.

Executive Order 13706 covers the following three types of federal contracts:

- Procurement contracts for construction and related services covered by the Davis Bacon Act (DBA)
- Service contracts covered by the Service Contract Act (SCA)
- Concession contracts, including contracts excluded from the SCA (e.g., restaurants in federal buildings) contracts related to federal property or lands or offering services for federal employees, their dependents, or the general public (e.g., leases in federal buildings for child care centers, credit unions or coffee shops).

The paid leave requirements do **not** apply to:

- Contracts for manufacturing or furnishing of materials, supplies, articles or equipment to the federal government under the Walsh Healey Public Contracts Act;
- Contracts or portions of contracts that are performed outside of the United States;
- Federal grants and cooperative agreements; and
- Contracts with Indian Tribes under the Indian Self-Determination and Education Assistance Act.

The requirements of the Final Rule must be condensed down to subcontracts at any tier. Prime contractors and subcontractors are responsible for compliance of their respective subcontractors.

The rule is generous and grants leave for a wide range of issues.

Though most employers are not impacted by the rule it is advised employers carefully review the rule and all of their contracts to ensure they are exempt. We advise employers to also review the order itself before implementing its policy.

Employers with federal contractors, or with subcontractors working on federal contracts, should be aware of several additional compliance requirements. **Please contact UEA for more information about complying with Federal Contracts!**

Have questions about how this applies to your workplace? We are here to help!

Please reach out with any questions via email to jtowne@unitedemployers.org, or call (503) 595-2170.